

Message Text

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71

ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

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O 042307Z DEC 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 1985

AMEMBASSY SANTO DOMINGO IMMEDIATE

C O N F I D E N T I A L CARACAS 10361

EXDIS

EO 11652: GDS

TAGS: MASS ESTC VE CU DR US

SUBJECT: VENEZUELAN SHIPS IN CUBA TRADE

REF: A. CARACAS 10266; B. STATE 236506; C. SANTO DOMINGO 4920

1. I SAW FONMIN CALVANI AT 5:30 THIS AFTERNOON AND SAID THAT, FOLLOWING UP ON OUR CONVERSATION OF DEC 2, WE HAD RECEIVED ASSURANCES FROM PRESIDENT BALAGUER THAT SANTO DOMINGO COULD INDEED FURNISH 5,000 TONS OF SUGAR FOR VENEZUELA.

2. CALVANI HALTED A MOMENT AND SAID THAT "FOR POLITICAL REASONS" GOV HAD BEEN MISINFORMED AS TO ACTUALITY OF THE SUPPOSED SCARCITY OF SUGAR IN THE COUNTRY. AS A MATTER OF FACT, WHERE LAST WEEK IT SEEMED 5,000 TONS WERE IMMEDIATELY REQUIRED, IT HAD LATER DEVELOPED THAT SUGAR CENTRALS HAD BEEN WITHHOLDING AND THAT THERE WAS NOW A SURPLUS OF AT LEAST 15,000 TONS IN VENEZUELA. PROBLEM THEREFORE WAS NOT OF IMMEDIATE SUPPLY OF SUGAR BUT WHAT TO DO ABOUT THE VENEZUELAN TRANSPORT T-19 WHICH HAD REACHED HAVANA AND IS NOW LOADING.

3. IN CASTING ABOUT FOR WAYS TO MEET THE PROBLEM, WE AGREED THAT FOR T-19 ABRUPTLY TO BE INSTRUCTED TO DISCHARGE ITS CARGO IN HAVANA WOULD AWAKEN DANGEROUS SPECULATION. SCARCELY LESS BELIEVABLE WOULD BE FOR T-19 TO BE ORDERED TO PROCEED TO SANTO DOMINGO AND EXCHANGE 5,000 TONS OF CUBAN SUGAR FOR AN EQUIVALENT AMOUNT OF DOMINICAN SUGAR.
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4. AT THIS POINT I SUGGESTED THAT A POSSIBLE WAY OUT WOULD BE FOR T-19 TO BE DIVERTED TO CURACAO TO UNLOAD ITS CARGO AND PROCEED EMPTY TO VENEZUELA. CUBAN SUGAR COULD THEN IN SMALL AMOUNTS AND AT CONVENIENT MOMENTS BE

BROUGHT OVER TO VENEZUELA UNDER A FOREIGN FLAG WITHOUT OCCASIONING COMMENT EITHER IN CURACAO, VENEZUELA, OR BY CREW OF T-19. CALVANI THOUGHT THIS A GOOD IDEA AND I HAD IMPRESSION HE WILL ACT ON IT.

5. AS I HAD SURMISED (REF A), CALVANI DOES NOTHING WITHOUT CONSULTING WITH PRESIDENT CALDERA, BUT HE HAD FORMULATED ALTERNATIVE SOLUTIONS BEFORE GETTING IN TOUCH WITH PRESIDENT. AFTER MY TALK WITH HIM SUNDAY AFTERNOON, CALVANI HAD RECEIVED AUTHORIZATION FROM CALDERA TO TAKE UP WITH MINISTER OF DEFENSE POSSIBLE MEANS OF DIVERTING T-19; BUT WHEN CALVANI GOT THROUGH TO DEFENSE MINISTER PARDI DAVILA YESTERDAY, LATTER POINTED OUT THAT THE SHIP WAS ALREADY IN HAVANA. PROBLEM WAS ALSO DISCUSSED WITH HIGHLY INTELLIGENT SECRETARY OF THE PRESIDENCY, LUIS ALBERTO MACHADO. I CITE THESE FACTS AS EVIDENCE THAT FONMIN IS MAKING A VERY REAL ATTEMPT TO SOLVE THIS PROBLEM IN SECRECY AND WITHOUT PERMITTING IT TO ENTER INTO THE POLITICAL ARENA. FACT THAT CALDERA HAS APPARENTLY AUTHORIZED HIS MINISTERS TO FIND A QUIET SOLUTION ENCOURAGES ME IN THE HOPE THAT PRESIDENT WILL NOT UNCORK THIS SMALL CUBAN GENIE FROM THE BOTTLE AT HIS LAST OPPORTUNITY, WHICH WILL BE ON HIS THURSDAY ("THE PRESIDENT SPEAKS TO THE NATION") TELEVISION SHOW DEC 6.

6. ACTION REQUESTED:

A. FOR EMBASSY SANTO DOMINGO--THAT PRESIDENT BALAGUER BE GIVEN OUR APPRECIATIVE THANKS FOR HIS READINESS TO HELP AND INFORMED THAT ACTION ON THE PART OF HIS GOVERNMENT DOES NOT SEEM NECESSARY. I SHOULD BE GRATEFUL IF AMBASSADOR HURWITCH WOULD CONVEY MY BEST PERSONAL REGARDS TO PRESIDENT BALAGUER, WITH WHOM I WORKED MANY YEARS AGO IN 1938 WHEN HE WAS FOREIGN MINISTER AND I HEAD OF THE POLITICAL SECTION OF OUR LEGATION THERE.

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B. FOR DEPARTMENT--KEEP FINGERS CROSSED.
MCCLINTOCK

NOTE BY OC/T: EXDIS CAPTION ADDED PER S/S-O MISS. ELTZ, 11/4/73.

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<< END OF DOCUMENT >>

Message Attributes

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